

Dissenting Views on H.R. 3045, the "Section 8 Voucher Reform Act of 2009"

H.R. 3045, the Section 8 Voucher Reform Act of 2009, despite modest improvements, will continue to take our country down a path of higher government spending with little accountability at a time when we can least afford it. Therefore, Committee Republicans do not support this bill in its current form.

Established in 1974, the section 8 program provides a necessary safety net for vulnerable elderly and disabled Americans seeking affordable housing. It is the country's largest low-income housing assistance program helping over 2 million low-income households afford rental housing in the private market and was considered, at its creation, as an alternative to government-owned public housing. Unfortunately, over the years, section 8 has become overly complex and burdensome to administer, making it more difficult to serve families that need help, and discouraging work and self-sufficiency. Core components of the program have faced scrutiny and criticism, such as tenant eligibility standards, unit quality inspections, the portability of vouchers, income and rent calculation formulas, and eligible uses of program funds.

The most troubling aspect of H.R. 3045 for Republicans is the authorization of 150,000 new incremental vouchers for FY 2010. The estimated cost of a tenant-based voucher is \$7,500 annually. Multiplying that figure by 150,000 translates into over \$1 billion in new deficit spending. Republicans understand the importance of section 8 to many families in need; however, these incremental vouchers will further contribute to an unsustainable Federal deficit and will overwhelm the Department of Housing and Urban Development's (HUD's) annual budget to the detriment of its other programs. Currently, over 40 percent of HUD's total budget is consumed by the Section 8 program.

Prior to FY 2003, the section 8 voucher program was funded much like an entitlement program in which Public Housing Authorities (PHAs) were reimbursed for expenses incurred through their participation in the program. From 2003 through 2006, Congress made changes to the section 8 funding formula through the appropriations process that moved the program to a budget-based system designed to halt the rapidly escalating and unsustainable increases in voucher program costs, while at the same time maximizing the number of families served. According to HUD data, these changes to the funding formula led to a leveling off of voucher costs and declines in utilization rates in 2005 and 2006. Slowing the growth of the section 8 program was critical because it was threatening to consume the overall HUD budget. In fact, in 2004, other HUD programs such as the Community Development Block Grant (CDBG) program and HOME were forced to absorb budget cuts to fund the Housing Choice Voucher program. Since 2007, changes have been made through the appropriations process to return the funding formula to one that mirrors an entitlement program, similar to the one in place in FY 2004.

Committee Republicans believe that any attempt to improve the housing voucher program must achieve certain key objectives. Committee Republicans support a formula that will provide PHAs the certainty they need to effectively and efficiently provide affordable housing to low-income families, and Republicans believe in establishing a funding formula that includes incentives for agencies to improve their performance and to serve the maximum number of families in need.

Republicans also support a funding formula that will be reasonable, fair and predictable. While Republicans appreciate the spirit of the funding formula provisions included in H.R. 3045, Republicans believe that any changes to the funding formula must move us closer to achieving the above-mentioned goals. H.R. 3045, in its current form, fails to meet these key objectives.

In addition, Republicans remain concerned that H.R. 3045 does not address the rising costs associated with the section 8 program as more individuals continue to receive assistance for longer periods. Any assistance to able-bodied low-income participants should be temporary. Unfortunately, for too many able-bodied voucher holders, section 8 assistance has ceased to be a temporary step on the path to self-sufficiency and instead become more like a permanent entitlement. The lack of turnover among the able-bodied in the section 8 program has led to long waiting lists and increased costs.

It is critical to make improvements in the delivery of housing assistance to families in need. Committee Republicans believe this can be achieved by providing flexibility to local public housing authorities. Such flexibility would enable PHAs to manage their programs to the needs of the families they serve in the local community instead of through a one-size-fits-all approach. This is important because the program faces longer waiting lists for section 8 vouchers without the resources to serve everyone. The program should move current section 8 able-bodied recipients to self-sufficiency so that there can be similar opportunities to those who have patiently waited, in some cases for almost ten years, for assistance. Simply increasing Federal funding is not a solution. Rather, the goal of any section 8 reform bill should be to allow PHAs flexibility to use their appropriated funds to help voucher holders transition off public assistance to self-sufficiency.

Another troubling aspect of H.R. 3045 is a provision that would relax assisted housing eligibility standards for persons who have engaged in criminal activities. Given the long section 8 waiting lists, it is inappropriate to open section 8 housing to persons who may pose a risk to other residents, when deserving law-abiding families have been waiting for housing assistance for years. Furthermore, language in the bill establishes vague and unworkable standards and removes the tools available to owners and managers to ensure the safety of their communities.

H.R. 3045 does contain several important modifications to the existing section 8 program, including how portability is treated, how inspections are conducted, how income is calculated for purposes of determining eligibility for vouchers, and an expansion of the Moving to Work Program, which Republicans strongly support. Republicans support enhancements to HUD's Family Self-Sufficiency Act (FSS) program that provide housing authorities with consistent coordinator funding, allowing them to help more individuals move from public assistance to self-sufficiency.

Committee Republicans believe the legislative goal of reforming Section 8 should not be to expand the program, but to make the changes necessary to allow PHAs to serve more low-income families and communities across the country. Because H.R. 3045 falls short of these objectives while also contributing to our country's fiscal crisis, we are unable to support it.

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